



General Assembly

January Session, 2015

## ***Amendment***

LCO No. 6932



Offered by:  
SEN. CRISCO, 17<sup>th</sup> Dist.

To: Senate Bill No. 907

File No. 154

Cal. No. 153

### ***"AN ACT CONCERNING CHANGES TO THE INSURANCE STATUTES."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Subsections (a) to (c), inclusive, of section 38a-1081 of the  
4 general statutes are repealed and the following is substituted in lieu  
5 thereof (*Effective from passage*):

6 (a) There is hereby created as a body politic and corporate,  
7 constituting a public instrumentality and political subdivision of the  
8 state created for the performance of an essential public and  
9 governmental function, to be known as the Connecticut Health  
10 Insurance Exchange. The Connecticut Health Insurance Exchange shall  
11 not be construed to be a department, institution or agency of the state.  
12 The exchange shall serve both qualified individuals and qualified  
13 employers.

14 (b) (1) (A) The powers of the exchange shall be vested in and

15 exercised by a board of directors, which, until June 19, 2013, shall  
16 consist of twelve voting members. The appointment of the initial board  
17 members shall be as follows:

18 (i) The Governor shall appoint two board members, one of whom  
19 shall have expertise in the area of individual health insurance coverage  
20 and shall serve for a term of three years and one of whom shall have  
21 expertise in issues relating to small employer health insurance  
22 coverage and shall serve for a term of two years;

23 (ii) The president pro tempore of the Senate shall appoint one board  
24 member who shall have expertise in the area of health care finance and  
25 shall serve for a term of four years;

26 (iii) The speaker of the House of Representatives shall appoint one  
27 board member who shall have expertise in the area of health care  
28 benefits plan administration and shall serve for a term of four years;

29 (iv) The majority leader of the Senate shall appoint one board  
30 member who shall have expertise in the health care delivery systems  
31 and shall serve for a term of two years;

32 (v) The majority leader of the House of Representatives shall  
33 appoint one board member who shall have expertise in the area of  
34 health care economics and shall serve for a term of two years;

35 (vi) The minority leader of the Senate shall appoint one board  
36 member who shall have expertise in health care access issues faced by  
37 self-employed individuals and shall serve for a term of three years;

38 (vii) The minority leader of the House of Representatives shall  
39 appoint one board member who shall have expertise concerning  
40 barriers to individual health care coverage and shall serve for a term of  
41 two years;

42 (viii) The Commissioner of Social Services, the Special Advisor to  
43 the Governor on Healthcare Reform, the Secretary of the Office of

44 Policy and Management and the Healthcare Advocate, or their  
45 designees, who shall serve as ex-officio, voting board members; and

46 (ix) The Insurance Commissioner and the Commissioner of Public  
47 Health, or their designees, who shall serve as ex-officio, nonvoting  
48 board members.

49 (B) On and after June 19, 2013, and prior to October 1, 2015, the  
50 board of directors shall consist of eleven voting members and three  
51 nonvoting members as follows: (i) The board members appointed  
52 pursuant to subparagraphs (A)(i) to (A)(vii), inclusive, of this  
53 subdivision; (ii) the Commissioner of Social Services, the Secretary of  
54 the Office of Policy and Management and the Healthcare Advocate, or  
55 their designees, who shall serve as ex-officio, voting board members;  
56 and (iii) the Insurance Commissioner and the Commissioners of Public  
57 Health and Mental Health and Addiction Services, or their designees,  
58 who shall serve as ex-officio, nonvoting board members. The  
59 provisions of this subparagraph shall not affect the terms of the board  
60 members set forth in subparagraphs (A)(i) to (A)(vii), inclusive, of this  
61 subdivision.

62 (C) On and after October 1, 2015, the board of directors shall consist  
63 of twelve voting members and three nonvoting members as follows: (i)  
64 The board members set forth in subparagraph (B) of this subdivision;  
65 and (ii) a retired insurance producer, who shall be a voting member  
66 appointed by the Governor and shall serve a term of two years. The  
67 provisions of this subparagraph shall not affect the terms of the board  
68 members set forth in subparagraphs (A)(i) to (A)(vii), inclusive, of this  
69 subdivision.

70 (2) (A) No board member shall be employed by, a consultant to, a  
71 member of the board of directors of, affiliated with or otherwise a  
72 representative of (i) an insurer, (ii) an insurance producer or broker,  
73 (iii) a health care provider, or (iv) a health care facility or health or  
74 medical clinic while serving on the board of the exchange. For  
75 purposes of this subdivision, "health care provider" means any person

76 that is licensed in this state, or operates or owns a facility or institution  
77 in this state, to provide health care or health care professional services  
78 in this state, or an officer, employee or agent thereof acting in the  
79 course and scope of such officer's, employee's or agent's employment.

80 (B) No board member shall be a member of, a member of the board  
81 of, a consultant to or an employee of a trade association of (i) insurers,  
82 (ii) insurance producers or brokers, (iii) health care providers, or (iv)  
83 health care facilities or health or medical clinics while serving on the  
84 board of the exchange.

85 (C) No board member shall be a health care provider unless such  
86 member receives no compensation for rendering services as a health  
87 care provider and does not have an ownership interest in a  
88 professional health care practice.

89 (c) (1) All initial appointments shall be made not later than July 1,  
90 2011, except the initial appointment of the board member specified in  
91 subparagraph (C)(ii) of subdivision (1) of subsection (b) of this section  
92 shall be made not later than October 1, 2015. Following the expiration  
93 of such initial terms, subsequent board member terms shall be for four  
94 years. Any vacancy shall be filled by the appointing authority for the  
95 balance of the unexpired term. If an appointing authority fails to make  
96 an initial appointment, or an appointment to fill a vacancy within  
97 ninety days of the date of such vacancy, the appointed board members  
98 may make such appointment by a majority vote. Any board member  
99 previously appointed to the board or appointed to fill a vacancy may  
100 be reappointed in accordance with this section. Any board member  
101 may be removed for misfeasance, malfeasance or wilful neglect of duty  
102 at the sole direction of the appointing authority.

103 (2) As a condition of qualifying as a member of the board of  
104 directors, each appointee shall, before entering upon such member's  
105 duties, take and subscribe the oath or affirmation required under  
106 section 1 of article eleventh of the Constitution of the state. A record of  
107 each such oath shall be filed in the office of the Secretary of the State.

108 (3) Appointed board members may not designate a representative to  
109 perform in their absence their respective duties under sections 38a-  
110 1080 to 38a-1091, inclusive. The Governor shall select a chairperson  
111 from among the board members and the board members shall  
112 annually elect a vice-chairperson. Meetings of the board of directors  
113 shall be held at such times as shall be specified in the bylaws adopted  
114 by the board and at such other time or times as the chairperson deems  
115 necessary. Any board member who fails to attend more than fifty per  
116 cent of all meetings held during any calendar year shall be deemed to  
117 have resigned from the board.

118 (4) [Six] Prior to October 1, 2015, six board members shall constitute  
119 a quorum for the transaction of any business or the exercise of any  
120 power of the exchange. On and after October 1, 2015, seven board  
121 members shall constitute a quorum for the transaction of any business  
122 or the exercise of any power of the exchange. For the transaction of any  
123 business or the exercise of any power of the exchange, the exchange  
124 may act by a majority of the board members present at any meeting at  
125 which a quorum is in attendance. No vacancy in the membership of  
126 the board of directors shall impair the right of such board members to  
127 exercise all the rights and perform all the duties of the board. Except as  
128 otherwise provided, any action taken by the board under the  
129 provisions of sections 38a-1080 to 38a-1091, inclusive, may be  
130 authorized by resolution approved by a majority of the board  
131 members present at any regular or special meeting, which resolution  
132 shall take effect immediately unless otherwise provided in the  
133 resolution.

134 (5) Board members shall receive no compensation for their services  
135 but shall receive actual and necessary expenses incurred in the  
136 performance of their official duties.

137 (6) Subject to the provisions of subdivision (2) of subsection (b) of  
138 this section, board members may engage in private employment or in a  
139 profession or business, subject to any applicable laws, rules and  
140 regulations of the state or federal government regarding official ethics

141 or conflicts of interest.

142 (7) Notwithstanding any provision of the general statutes, it shall  
143 not constitute a conflict of interest for a trustee, director, partner or  
144 officer of any person, firm or corporation, or any individual having a  
145 financial interest in a person, firm or corporation, to serve as a board  
146 member of the exchange, provided such trustee, director, partner,  
147 officer or individual shall abstain from deliberation, action or vote by  
148 the exchange in specific request to such person, firm or corporation.

149 (8) Each board member shall execute a surety bond in the penal sum  
150 of fifty thousand dollars, or, in lieu thereof, the chairperson of the  
151 board shall execute a blanket position bond covering each board  
152 member, the chief executive officer and the employees of the exchange,  
153 each surety bond to be conditioned upon the faithful performance of  
154 the duties of the office or offices covered, to be executed by a surety  
155 company authorized to transact business in this state as surety and to  
156 be approved by the Attorney General and filed in the office of the  
157 Secretary of the State. The cost of each such bond shall be paid by the  
158 exchange.

159 (9) No board member of the exchange shall, for one year after the  
160 end of such member's service on the board, accept employment with  
161 any health carrier that offers a qualified health benefit plan through  
162 the exchange."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	38a-1081(a) to (c)